

Fiscal Year 2011

November 29, 2010

December 8, 2010

**Prepared For
Board of Selectmen**

Town of Wellesley

Tax Classification Hearing

Prepared By:

Board of Assessors

David Livingston, Chair

Stephen D. Mahoney

L. Deborah Carpenter

Donna McCabe, AAS, Chief Assessor

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NOTICE OF HEARING
TOWN OF WELLESLEY
TAX CLASSIFICATION

The Board of Selectmen of the Town of Wellesley will hold two public hearings on Monday, November 29th and Wednesday, December 8th at 7:10 P.M. in the Felix Juliani Meeting Room, Town Hall, on the issue of allocating the local property tax levy among the five property classes for the fiscal year ending June 30, 2011.

These hearings, commonly known as the *Tax Classification Hearings*, will be held for the purpose of providing an open forum for the discussion of local property tax policy. The central issue to be discussed is whether all five classes of property – residential, open space, commercial, industrial, personal – shall be taxed at the same rate or at different rates.

Information and data concerning the fiscal effect will be available for public inspection beginning on Friday, November 26, 2010 in the office of the Board of Assessors at Town Hall, 525 Washington Street, Wellesley, Massachusetts 02482 between the hours of 8:00 A.M. and 5:00 P.M. , Monday through Friday. Interested taxpayers are urged to review the material and attend the hearings. Written and oral statements from interested taxpayers will be accepted and taken into consideration at the hearings. Written statements will also be accepted prior to the hearings.

BOARD OF SELECTMEN

Katherine L. Babson Jr., Chairman

Terri Tsagaris, Vice Chairman

Barbara D. Searle, Secretary

Owen H. Dugan

Ellen F. Gibbs

FISCAL YEAR 2011 ASSESSED VALUES AND HISTORICAL PERSPECTIVE



Assessment Profile

MEDIANS & MEANS	FY2007	2006 to 2007	FY2008	2007 to 2008	FY2009	2008 to 2009	FY2010	2009 to 2010	FY2011	2010 to 2011	2007 to 2011
SINGLE FAMILY (Class 101)											
Total Value	\$7,329,233,000	3%	\$7,442,245,000	2%	\$7,601,189,000	2%	\$7,353,206,000	-3%	\$7,189,824,000	-2%	-2%
Median Assessment	\$824,000	3%	\$832,000	1%	\$848,500	2%	\$810,000	-5%	\$786,000	-3%	-5%
Median Tax Bill	\$7,309	10%	\$7,638	5%	\$8,035	5%	\$8,488	6%	\$8,984	6%	23%
Mean Assessment	\$1,010,371	2%	\$1,024,538	1%	\$1,046,014	2%	\$1,009,658	-3%	\$987,071	-2%	-2%
Mean Tax Bill	\$8,962	9%	\$9,405	5%	\$9,906	5%	\$10,581	7%	\$11,282	7%	26%
COMMERCIAL (Class 300's)											
Total Value	\$885,848,000	12%	\$992,365,000	12%	\$1,056,135,000	6%	\$910,217,000	-14%	\$867,041,000	-5%	-2%
Median Assessment	\$1,806,000	10%	\$2,018,000	12%	\$1,989,500	-1%	\$1,811,000	-9%	\$1,811,000	0%	0%
Median Tax Bill	\$16,019	17%	\$18,525	16%	\$18,841	2%	\$18,979	1%	\$20,700	9%	29%
Mean Assessment	\$3,990,306	13%	\$4,510,750	13%	\$4,981,769	10%	\$4,376,043	-12%	\$4,188,604	-4%	5%
Mean Tax Bill	\$35,394	21%	\$41,409	17%	\$47,177	14%	\$45,860	-3%	\$47,876	4%	35%
TAX RATE	\$8.87		\$9.18		\$9.47		\$10.48		\$11.43		

Assessment / Tax Rate History

FY	ASSESSED VALUE (in 000's)			Tax Levy (in 000's)	LEVY %		NEW GROWTH TAX DOLLARS (in 000's)	TAX RATE	MEDIAN ASSESSED (in 000's)		MEDIAN TAXES*	
	RES	CIP	TOTAL		RES %	CIP %			Single Family	Comm.	Single Family	Comm.
07	7,946,702	995,225	8,941,927	79,316	88.87%	11.13%	1,253	8.87	824	1,806	7,309	16,019
08	8,069,347	1,106,300	9,175,647	84,262	87.94%	12.06%	1,309	9.18	832	2,018	7,638	18,525
09	8,226,771	1,194,141	9,420,912	89,217	87.32%	12.68%	1,697	9.47	848	1,989	8,031	18,836
10	7,936,624	1,045,307	8,981,931	94,163	88.36%	11.64%	1,416	10.48	810	1,811	8,489	18,979
11	7,753,180	1,008,444	8,761,624	100,176	88.49%	11.51%	1,416	11.43	786	1,811	8,984	20,700

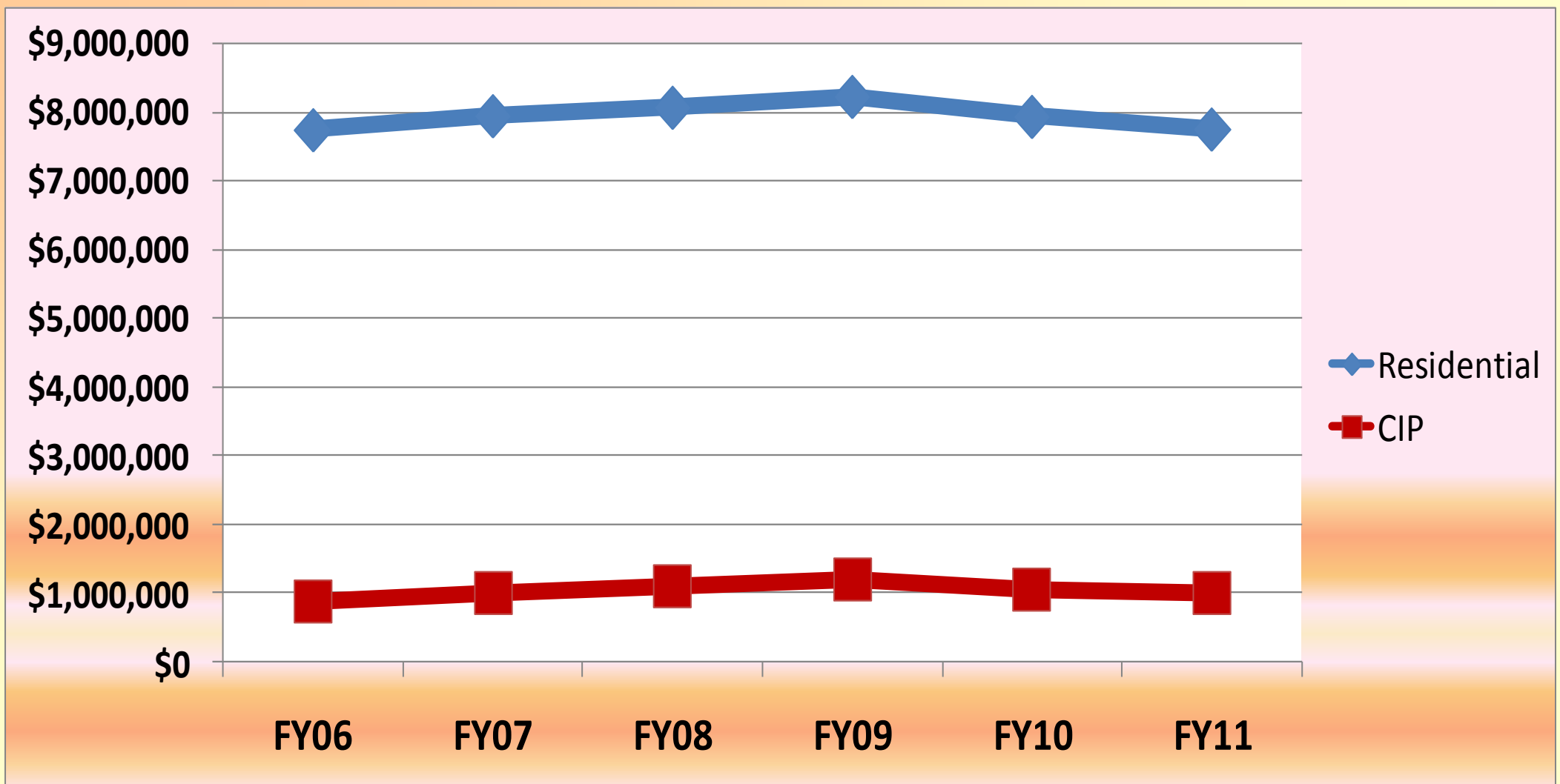
* Calculated based on a single tax rate

RES - residential property class, including condominiums and apartment buildings

CIP - commercial, industrial and personal property classes

Property Value History

Property Value
(in 000's)



	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
<u>Residential</u>	\$7,743,110	\$7,946,702	\$8,069,347	\$8,226,771	\$7,936,524	\$7,753,180
<u>CIP</u>	\$884,645	\$995,225	\$1,106,300	\$1,194,141	\$1,045,307	\$1,008,444

Fiscal Year 2011

Total Values By Property Type

in 000 of assessed value

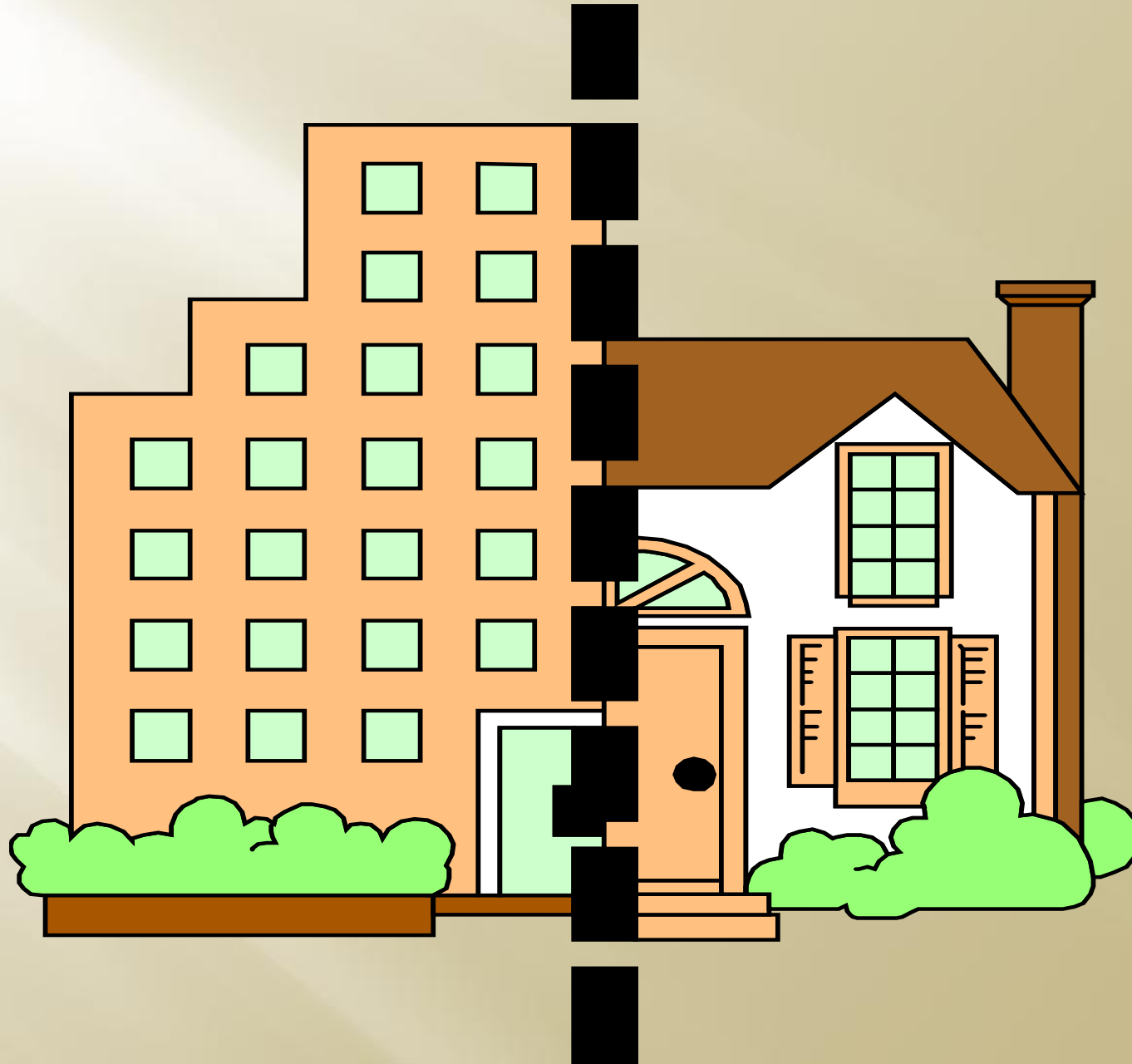
PROPERTY TYPE	PARCEL COUNT	RESIDENTIAL VALUE	COMMERCIAL VALUE	INDUSTRIAL VALUE	PERSONAL PROPERTY VALUE
Single Family	7,285	\$7,189,824			
Condominiums	430	\$210,582			
Multiple Houses On Lot	27	\$39,560			
Two Family	123	\$85,263			
Three Family	20	\$13,593			
Apartments (4+ units)	33	\$113,986			
Vacant Land	261	\$91,997			
Commercial	207		\$867,041		
Chapter Lands	16		\$9,846		
Mixed Use-Res & Comm	9	\$8,375	\$27,853		
Industrial	3			\$6,622	
PP-individuals/partnership	534				\$22,299
PP-corporations	415				\$29,434
PP-utilities	20				\$45,349
TOTALS	9,383	\$7,753,180	\$904,740	\$6,622	\$97,082
			Total Value All Taxable Properties: \$8,761,624		

PP - personal property

Personal Exemptions

Fiscal Year	Disabled Veteran Exemption	Blind Exemption	Elderly Exemption	Senior Tax Deferral	Senior Work-Off	Low Income CPA Exemption
2006	112	20	53	52	16	77
2007	107	18	53	50	17	70
2008	104	18	51	52	17	72
2009	102	20	49	49	24	78
2010	96	19	39	45	26	69

TAX CLASSIFICATION OPTIONS



Fiscal Year 2011 Tax Rate Calculation

Assuming a Single Tax Rate

Tax Levy Limit Prior Year (FY2010)		\$85,858,785	*(\$9.80)
Additions To FY2010 Levy Limit:			
2.5 % Levy Growth	\$2,146,470	(\$0.24)	
New Growth in Tax Dollars	\$1,416,152	(\$0.16)	
Override	\$0	(\$0.00)	
FY2011 Levy Limit (Before Debt Exclusion)		\$89,421,407	(\$10.20)
Amounts Outside Levy Limit:			
Capital Expenditure-OPEB	\$1,800,000	(\$0.20)	
Debt Exclusion - Sprague School	\$1,223,732	(\$0.14)	
Debt Exclusion - Bates School	\$596,338	(\$0.07)	
Debt Exclusion - Elementary Infrastructure	\$510,590	(\$0.06)	
Debt Exclusions - Middle School	\$2,790,620	(\$0.32)	
Debt Exclusion - High School	\$3,833,663	(\$0.44)	
Total Debt Exclusions		\$10,754,943	(\$1.23)
Tax Levy Limit Plus Debt Exclusion		\$100,176,350	(\$11.43)
Tax Levy	\$100,176,350		Tax Rate
Total Assessed Value	\$8,761,624,000	=	\$11.43 / 1,000

*This is not last year's tax rate. Numbers in parenthesis illustrate the contributory value to this year's tax rate.

Note: There is a separate and additional charge shown on the tax bill for the Community Preservation Act. ((assessed value - \$ 100,000) x tax rate x 1%)

Fiscal Year 2011 Tax Rate Calculation

Summary Schedule - Assuming a Single Tax Rate

			<u>Total Assessed Values</u>	<u>Fiscal Year Tax Levy</u>	<u>Impact on Tax Rate</u>
FY2010 Tax Levy & Tax Rate				\$94,163,155	\$10.48
Less: FY2010 Amounts Outside Levy Limit				(\$8,304,370)	(\$0.92)
FY2010 Levy Limit	@FY2010 A.V.s	\$8,981,931,000		\$85,858,785	\$9.56
Reduction in Assessed Values:		(\$220,307,000)			\$0.24
FY2010 Levy Limit	@FY2011 A.V.s	\$8,761,624,000		\$85,858,785	\$9.80
FY2011 Additions to FY2010 Levy Limit				\$3,562,622	\$0.40
FY2011 Levy Limit				\$89,421,407	\$10.20
Add: FY2011 Amounts Outside Levy Limit				\$10,754,943	\$1.23
Total FY2011 Tax Levy	@FY2011 A.V.s	\$8,761,624,000		\$100,176,350	\$11.43
<u>Summary of Changes in Tax Rate: FY2011 vs FY2010</u>					
<u>FY2010 Tax Rate</u>					\$10.48
Change In Assessed Values					\$0.24
FY2011 Additions to FY2010 Levy Limit					\$0.40
Increase in Spending Outside Levy Limit					\$0.31
<u>FY2011 Tax Rate</u>					<u>\$11.43</u>

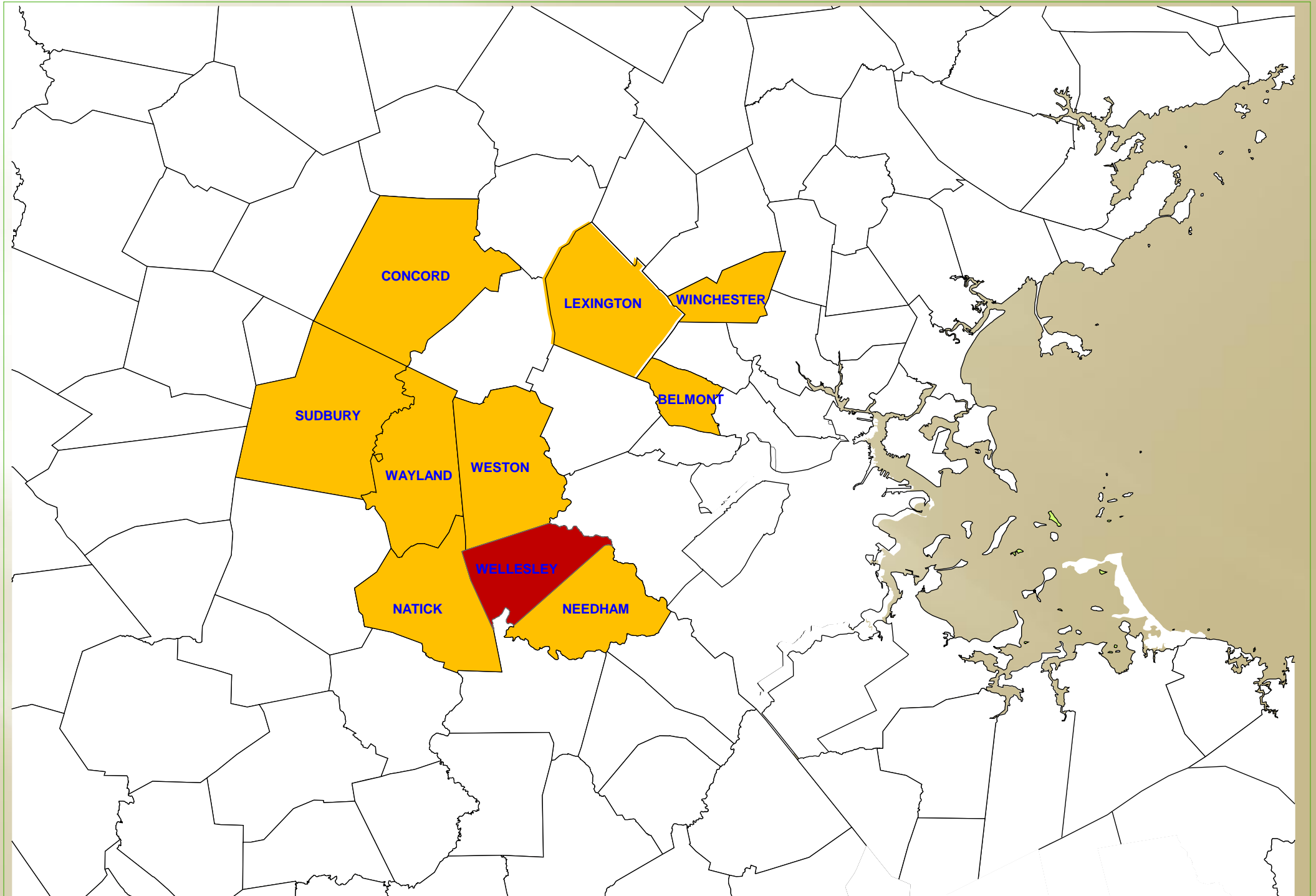
FISCAL YEAR 2011

SUMMARY OF TAX RATE OPTIONS

Chart is for illustrative purposes to show impact of split tax rate on two major classes of properties.

Tax Factor		Percentage of Tax Levy		Tax Rate		Median Taxes	
Commercial	Residential	Commercial	Residential	Commercial	Residential	Commercial	Residential
1.000	1.000	11.51%	88.49%	\$11.43	\$11.43	\$20,700	\$8,984
1.050	0.993	12.09%	87.91%	\$12.00	\$11.35	\$21,735	\$8,922
1.100	0.986	12.66%	87.34%	\$12.57	\$11.27	\$22,770	\$8,861
1.150	0.980	13.24%	86.76%	\$13.14	\$11.20	\$23,805	\$8,804
1.200	0.973	13.81%	86.19%	\$13.72	\$11.12	\$24,840	\$8,738
1.250	0.967	14.39%	85.61%	\$14.29	\$11.05	\$25,875	\$8,688
1.300	0.960	14.96%	85.04%	\$14.86	\$10.97	\$26,910	\$8,625
1.350	0.954	15.54%	84.46%	\$15.43	\$10.90	\$27,945	\$8,571
1.400	0.947	16.11%	83.89%	\$16.00	\$10.82	\$28,980	\$8,508
1.450	0.941	16.69%	83.31%	\$16.57	\$10.76	\$30,015	\$8,454
1.500	0.934	17.26%	82.74%	\$17.15	\$10.68	\$31,050	\$8,391
MAXIMUM SHIFT OF 50% LOWERS THE MEDIAN SINGLE FAMILY TAX BILL:							(\$593)
MAXIMUM SHIFT OF 50% INCREASES THE MEDIAN COMMERCIAL TAX BILL:							\$10,350
*Based on a median single family assessed value of \$786,000 and a median commercial assessed value of \$1,811,000							

Comparable Towns



FY2010 Tax Comparison

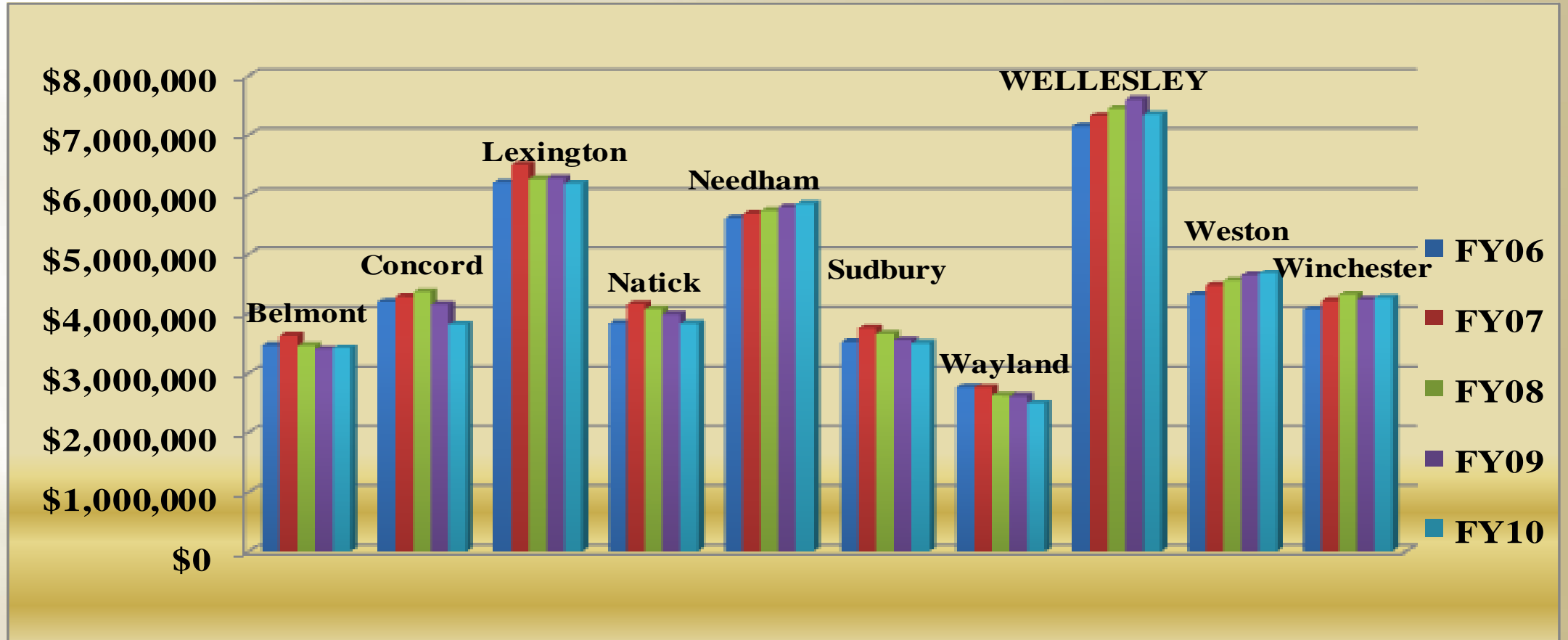
Town	Mean Single Family Value	Res. Tax Rate	Mean Single Family Tax Bill	Mean Comm. Value	Comm. Tax Rate	Mean Comm. Tax Bill	CIP % of Value	Adopted CIP Factor	If Single Rate
Belmont	\$757,904	\$12.16	\$9,216	\$1,331,333	\$12.16	\$16,189	5.91	1.00	\$12.16
Concord	\$835,697	\$13.09	\$10,939	\$1,156,134	\$13.09	\$15,134	9.38	1.00	\$13.09
Lexington	\$691,470	\$13.86	\$9,584	\$1,539,090	\$26.21	\$40,340	12.61	1.70	\$15.42
Natick	\$452,621	\$11.67	\$5,282	\$2,507,111	\$11.67	\$29,258	23.80	1.00	\$11.67
Needham	\$700,739	\$10.53	\$7,379	\$1,779,125	\$20.68	\$36,792	12.69	1.75	\$11.82
Sudbury	\$650,508	\$16.08	\$10,460	\$830,059	\$20.13	\$16,709	7.09	1.23	\$16.37
Wayland	\$617,648	\$17.78	\$10,982	\$881,472	\$17.78	\$15,673	4.94	1.00	\$17.78
WELLESLEY	\$1,009,640	\$10.48	\$10,581	\$4,557,683	\$10.48	\$47,765	11.63	1.00	\$10.48
Weston	\$1,400,149	\$11.10	\$15,542	\$3,183,888	\$11.10	\$35,341	3.74	1.00	\$11.10
Winchester	\$762,067	\$11.51	\$8,771	\$1,077,377	\$10.82	\$11,657	5.59	1.00	\$10.82

*CIP - commercial, industrial, and personal property

Total Single Family Assessed Value

Comparable Towns

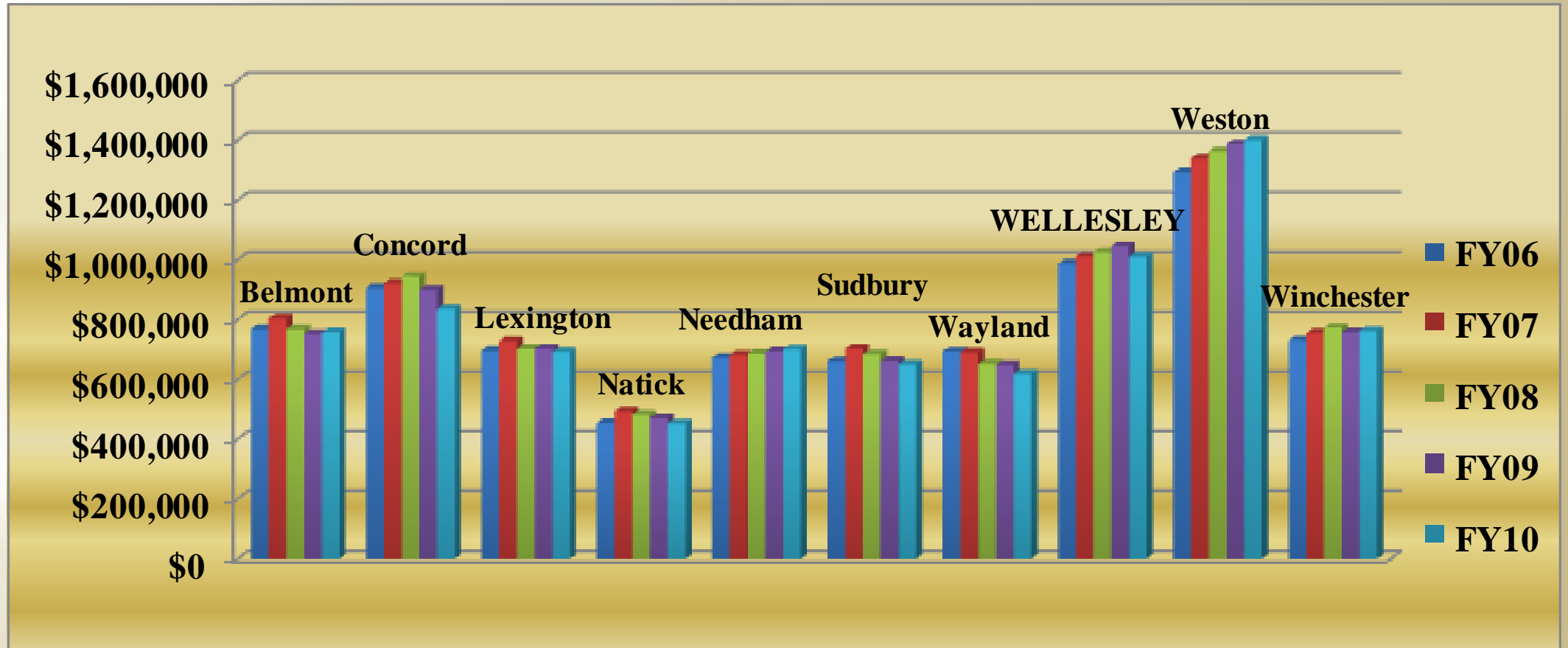
Total Single Family
Assessed Value in 000's



	<u>Belmont</u>	<u>Concord</u>	<u>Lexington</u>	<u>Natick</u>	<u>Needham</u>	<u>Sudbury</u>	<u>Wayland</u>	<u>WELLESLEY</u>	<u>Weston</u>	<u>Winchester</u>
<u>FY06</u>	\$3,468,374	\$4,200,538	\$6,206,172	\$3,831,877	\$5,601,161	\$3,524,244	\$2,761,251	\$7,144,303	\$4,313,406	\$4,068,424
<u>FY07</u>	\$3,631,548	\$4,279,804	\$6,499,630	\$4,163,886	\$5,678,492	\$3,753,739	\$2,758,756	\$7,329,233	\$4,472,439	\$4,215,970
<u>FY08</u>	\$3,466,825	\$4,363,529	\$6,262,573	\$4,074,410	\$5,727,282	\$3,660,612	\$2,618,393	\$7,442,245	\$4,550,576	\$4,321,667
<u>FY09</u>	\$3,401,345	\$4,159,180	\$6,274,760	\$3,980,497	\$5,784,137	\$3,552,718	\$2,607,060	\$7,601,189	\$4,640,493	\$4,238,814
<u>FY10</u>	\$3,422,695	\$3,817,461	\$6,184,505	\$3,828,720	\$5,839,958	\$3,505,588	\$2,489,122	\$7,353,206	\$4,680,696	\$4,263,001

Mean Single Family Assessed Value *Comparable Towns*

Mean Single Family
Assessed Value in 000's

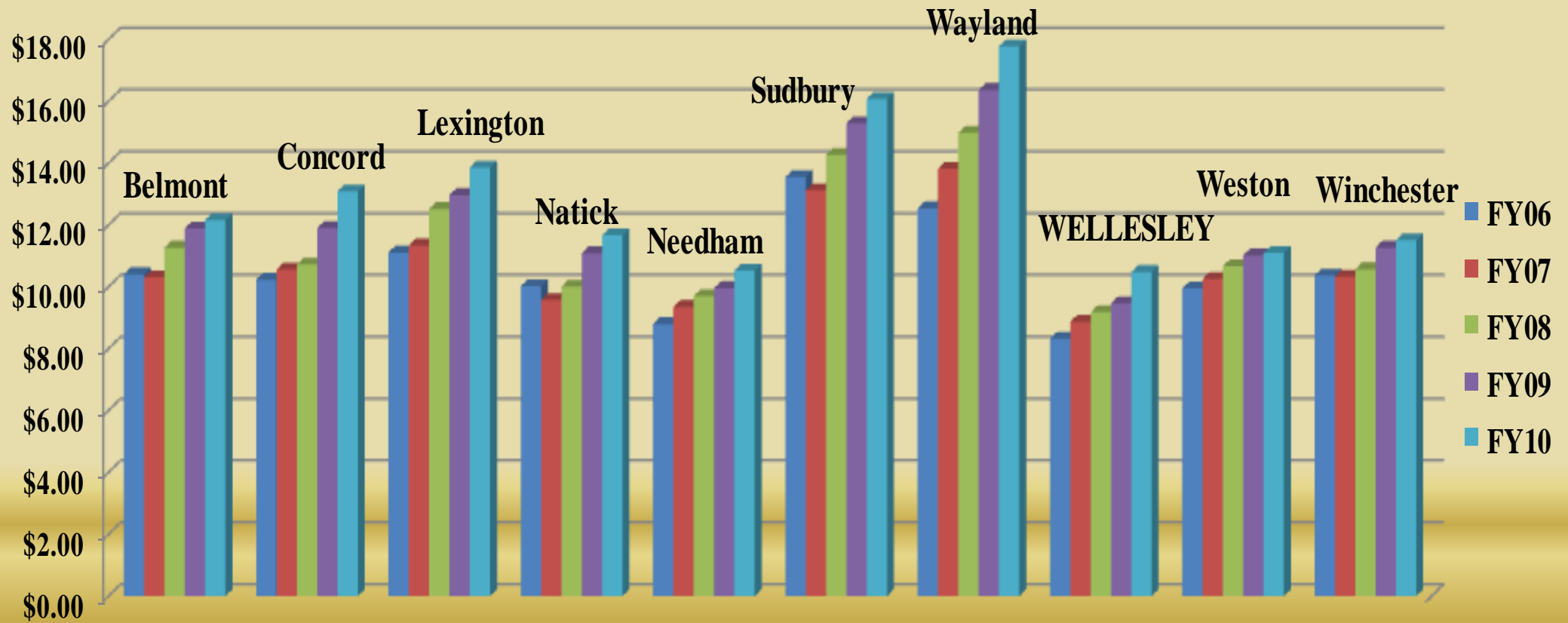


	Belmont	Concord	Lexington	Natick	Needham	Sudbury	Wayland	WELLESLEY	Weston	Winchester
<u>FY06</u>	\$767,679	\$906,265	\$696,540	\$455,038	\$672,408	\$660,961	\$693,259	\$987,191	\$1,292,988	\$730,942
<u>FY07</u>	\$803,440	\$922,372	\$728,903	\$493,410	\$682,019	\$702,816	\$690,898	\$1,010,371	\$1,339,054	\$755,415
<u>FY08</u>	\$767,676	\$944,487	\$701,925	\$482,407	\$686,972	\$683,843	\$652,315	\$1,024,538	\$1,362,448	\$773,245
<u>FY09</u>	\$752,843	\$899,866	\$702,346	\$471,009	\$693,458	\$662,080	\$647,717	\$1,046,131	\$1,387,707	\$757,878
<u>FY10</u>	\$757,904	\$835,697	\$691,470	\$452,621	\$700,739	\$650,508	\$617,648	\$1,009,640	\$1,400,149	\$762,067

Residential Tax Rate History

Comparable Towns

Residential Tax Rate

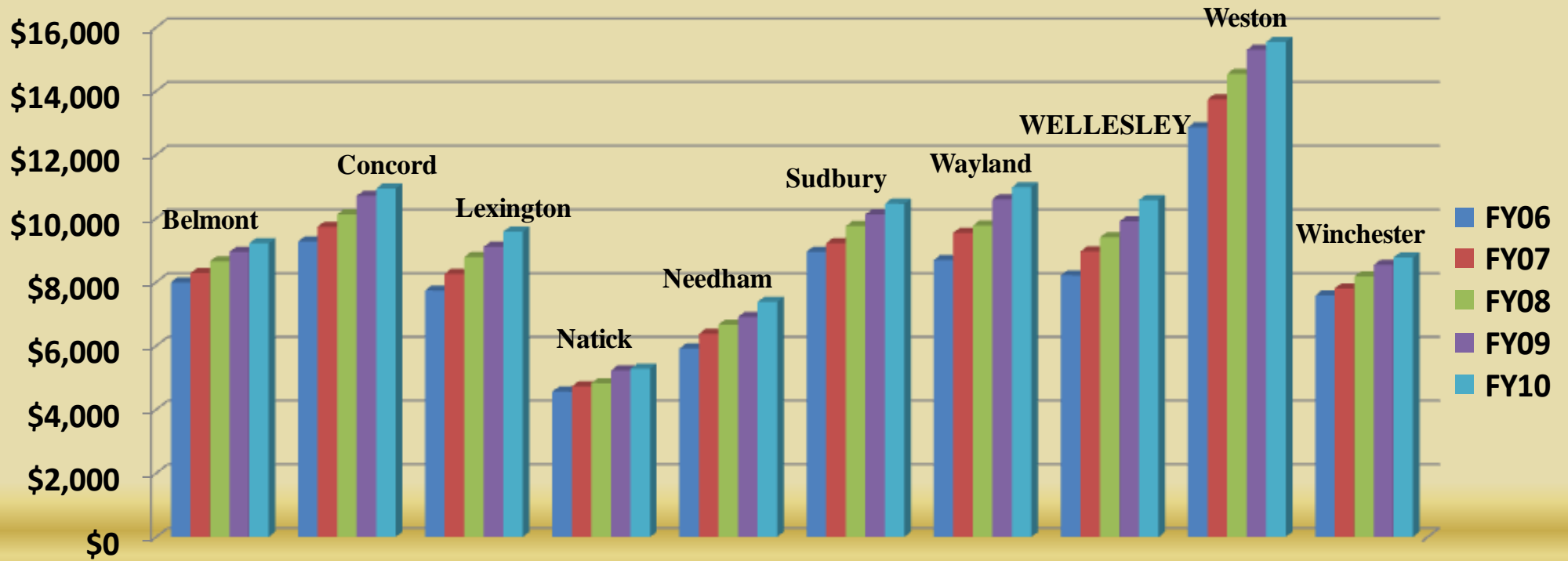


	Belmont	Concord	Lexington	Natick	Needham	Sudbury	Wayland	WELLESLEY	Weston	Winchester
<u>FY06</u>	\$10.41	\$10.23	\$11.11	\$10.02	\$8.80	\$13.55	\$12.54	\$8.32	\$9.95	\$10.37
<u>FY07</u>	\$10.31	\$10.56	\$11.34	\$9.58	\$9.35	\$13.12	\$13.82	\$8.87	\$10.26	\$10.33
<u>FY08</u>	\$11.27	\$10.72	\$12.52	\$10.01	\$9.70	\$14.27	\$14.98	\$9.18	\$10.67	\$10.57
<u>FY09</u>	\$11.89	\$11.90	\$12.97	\$11.09	\$9.96	\$15.29	\$16.37	\$9.47	\$11.02	\$11.27
<u>FY10</u>	\$12.16	\$13.09	\$13.86	\$11.67	\$10.53	\$16.08	\$17.78	\$10.48	\$11.10	\$11.51

Mean Single Family Tax Bill History

Comparable Towns

Mean Single Family Tax Bill



	<u>Belmont</u>	<u>Concord</u>	<u>Lexington</u>	<u>Natick</u>	<u>Needham</u>	<u>Sudbury</u>	<u>Wayland</u>	<u>WELLESLEY</u>	<u>Weston</u>	<u>Winchester</u>
<u>FY06</u>	\$7,992	\$9,271	\$7,739	\$4,559	\$5,917	\$8,956	\$8,693	\$8,213	\$12,865	\$7,580
<u>FY07</u>	\$8,283	\$9,740	\$8,266	\$4,727	\$6,377	\$9,221	\$9,548	\$8,962	\$13,739	\$7,803
<u>FY08</u>	\$8,652	\$10,125	\$8,788	\$4,829	\$6,664	\$9,758	\$9,772	\$9,405	\$14,537	\$8,173
<u>FY09</u>	\$8,951	\$10,708	\$9,109	\$5,223	\$6,907	\$10,123	\$10,603	\$9,907	\$15,293	\$8,541
<u>FY10</u>	\$9,216	\$10,939	\$9,584	\$5,282	\$7,379	\$10,460	\$10,982	\$10,581	\$15,542	\$8,771